



HF 612 – Water Quality Improvement Funding (LSB2041HZ.1)

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Fiscal Note Version – Committee Amendment H-1404

Description

House Appropriations Amendment **H-1404** to **HF 612** does the following:

- Strikes the creation of standing appropriations from the Rebuild Iowa Infrastructure Fund.
- Modifies the transfer of revenues collected from the Water Service Excise Tax.
- Changes the effective date of the Bill to July 1, 2018.
- Makes conforming and technical changes.

Assumptions

All the assumptions and Other Expenditures impacts from the [Fiscal Note](#) for HF 612 still apply.

Fiscal Impact

Water Quality Infrastructure Fund & Water Quality Financial Assistance Fund. The estimated flow of funds under current law and as proposed in amendment H-1404 to HF 612 is shown in **Table 1**. General Fund revenue and Secure an Advanced Vision for Education (SAVE) Program dollars will be diverted to the Water Quality Financial Assistance Fund and the local option sales tax (LOST) revenues will no longer be collected.

Table 1 - Current Law Sales Tax Policy vs. H-1404 to HF 612										
(In Millions)										
Current Law					H-1404 to HF 612					
Estimated Sales of Metered Water		General Fund			General Fund			Water Quality Infrastructure Fund		Water Quality Financial Assistance Fund
			SAVE	LOST		SAVE	LOST			
FY 2019	\$ 386.5	\$ 19.3	\$ 3.9	\$ 3.4	\$ 15.5	\$ 0.0	\$ 0.0	\$ 3.9	\$	3.9
FY 2020	398.1	19.9	4.0	3.5	11.9	0.0	0.0	4.0		8.0
FY 2021	408.7	20.4	4.1	3.6	8.2	0.0	0.0	4.1		12.3
FY 2022	419.4	21.0	4.2	3.7	4.2	0.0	0.0	4.2		16.8
FY 2023	431.1	21.6	4.3	3.8	0.0	0.0	0.0	4.3		21.6

The estimated fiscal impact is shown in **Table 2**.

Table 2 - Net Impact of H-1404 to HF 612						
(In Millions)						
	General			Water Quality	Water Quality	
	Fund	SAVE	LOST	Infrastructure	Financial	
				Fund	Assistance Fund	
FY 2019	\$ -3.9	\$ -3.9	\$ -3.4	\$ 3.9	\$ 3.9	
FY 2020	-8.0	-4.0	-3.5	4.0	8.0	
FY 2021	-12.3	-4.1	-3.6	4.1	12.3	
FY 2022	-16.8	-4.2	-3.7	4.2	16.8	
FY 2023	-21.6	-4.3	-3.8	4.3	21.6	

Moneys from the Water Quality Financial Assistance Fund will be appropriated as shown in **Table 3** and will continue through FY 2030.

Table 3 - Appropriations from Water Quality Financial Assistance Fund				
	Wastewater and		Water Quality	
	Drinking Water		Financing Program	Water Quality Urban
	Treatment Financial		Fund	Infrastructure Fund
	Assistance Program			
FY 2019	\$ 1,545,000	\$ 1,739,000	\$ 579,000	
FY 2020	3,185,000	3,583,000	1,194,000	
FY 2021	4,903,000	5,516,000	1,838,000	
FY 2022	6,710,000	7,548,000	2,516,000	
FY 2023	8,622,000	9,700,000	3,233,000	

Sources

Department of Revenue
LSA calculations

/s/ Holly M. Lyons

April 19, 2017

The fiscal note for this Bill was prepared pursuant to Joint Rule 17 and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.